

STANDARD TERMS & CONDITIONS

(1-page limit)

The LFR Team agrees to comply with the standard terms and conditions as provided with the RFP.

U.S. Department of the Interior

Certification Regarding Debarment, Suspension and
Other Responsibility Matters, Drug-Free Workplace
Requirements and Lobbying

Persons signing this form should refer to the regulations referenced below for complete instructions:

Certification Regarding Debarment, Suspension, and Other Responsibility Matters-Primary covered Transactions – The prospective primary participant further agrees by submitting this proposal that it will include the clause titled, "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion – Lower Tier covered Transaction," provided by the department or agency entering into this covered transaction, without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions. See below for language to be used or use this form for certification and sign (See Appendix A of Subpart D of 43 CFR Part 12.)

Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion – Lower Tier Covered Transactions – (See Appendix B of Subpart D of 43 CFR Part 12.)

Certification Regarding Drug-Free Workplace Requirements – Alternative I. (Grantees Other Than Individual(s) and Alternate II. (Grantees Who are Individuals) – (See Appendix C of Subpart D of 43 CFR Part 12)

Signature on this form provides for compliance with certification requirements under 43 CFR Parts 12 and 18. The certifications shall be treated as a material representation of fact upon which reliance will be placed when the Department of the Interior determines to award the covered transaction, grant, cooperative agreement or loan.

PART A: Certification Regarding Debarment, Suspension, and Other Responsibility Matters – Primary Covered Transactions

CHECK ☒ IF THIS CERTIFICATION IS FOR A PRIMARY COVERED TRANSACTION AND IS APPLICABLE.

- (1) The prospective primary participant certifies to the best of its knowledge and belief, that it and its principals:
 - (a) Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded by any Federal department or agency;
 - (b) Have not within a three-year period preceding this proposal been convicted of or had a civil judgement rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;
 - (c) Are not presently indicted for or otherwise criminally or civilly charge by a governmental entity (Federal, State or local) with commission of any of the offenses enumerated in paragraph (1)(b) of this certification; and
 - (d) Have not within a three-year period preceding this application/proposal had one or more public transactions (Federal, State or local) terminated for cause or default.
- (2) Where the prospective primary participant is unable to certify to any of the statements in this certification, such participant shall attach an explanation to this proposal.

PART B: Certification Regarding Debarment, Suspension, and Other Voluntary Exclusion – Lower Tier Covered Transactions

CHECK ☐ IF THIS CERTIFICATION IS FOR A LOWER TIER COVERED TRANSACTION AND IS APPLICABLE.

- (1) The prospective lower tier participant certifies, by submission of this proposal, that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any Federal department or agency.
- (2) Where the prospective lower tier participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal.

PART C: Certification Regarding Drug-Free Workplace Requirements

CHECK ☐ IF THIS CERTIFICATION IS FOR AN APPLICANT WHO IS AN INDIVIDUAL.

Alternative I. (Grantees Other Than Individuals)

A. The grantee certifies that it will or continue to provide a drug-free workplace by:

- (a) Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the grantee's workplace and specifying the actions that will be taken against employees for violation of such prohibition;
- (b) Establishing an ongoing drug-free awareness program to inform employees about:
 - (1) The dangers of drug abuse in the workplace;
 - (2) The grantee's policy of maintaining a drug-free workplace;
 - (3) Any available drug counseling, rehabilitation, and employee assistance programs; and
 - (4) The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace;
- (c) Making it a requirement that each employee to be engaged in the performance of the grant be given a copy of the statement required by paragraph (a);
- (d) Notifying the employee in the statement required by paragraph (a) that, as a condition of employment under the grant, the employee will –
 - (1) Abide by the terms of the statement; and
 - (2) Notify the employer in writing of his or her conviction for a violation of a criminal drug statute occurring in the workplace not later than five calendar days after such conviction;
- (e) Notifying the agency in writing, within ten calendar days after receiving notice under subparagraph (d)(2) from an employee or otherwise receiving actual notice of such conviction. Employers of convicted employees must provide notice, including position title, to every grant officer on whose grant activity the convicted employee was working, unless the Federal agency has designated a central point for the receipt of such notices. Notice shall include the identification number(s) of each affected grant;
- (f) Taking one of the following actions, within 30 calendar days of receiving notice under subparagraph (d)(2), with respect to any employee who is so convicted –
 - (1) Taking appropriate personnel action against such an employee, up to and including termination, consistent with the requirements of the Rehabilitation Act of 1973, as amended; or
 - (2) Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State or local health, law enforcement, or other appropriate agency;
- (g) Making a good faith effort to continue to maintain a drug-free workplace through implementation of paragraphs (a), (b), (c), (d), (e), and (f).

B. The grantee may insert in the space provided below the site(s) for the performance of work done in connection with the specific grant:

Place of performance (Street address, city, county, state, zip code)

1900 Powell Street, 12th Floor, Emeryville, Alameda County, California, 94608-1827

3251 "S" Street, Sacramento, Sacramento County, California 95816

Check ☐ if there are workplaces on file that are not identified here.

PART D: Certification Regarding Drug-Free Workplace Requirements

CHECK ☐ IF THIS CERTIFICATION IS FOR AN APPLICANT WHO IS AN INDIVIDUAL.

Alternative II. (Grantees Who Are Individuals)

- (a) The grantee certifies that, as a condition of the grant, he or she will not engage in the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance in conducting any activity with the grant;
- (b) If convicted of a criminal drug offense resulting from a violation occurring during the conduct of any grant activity, he or she will report the conviction, in writing, within 10 calendar days of the conviction, to the grant officer or other designee, unless the Federal agency designates a central point for the receipt of such notices. When notice is made to such a central point, it shall include the identification number(s) of each affected grant.

PART E: Certification Regarding Lobbying
Certification for Contracts, Loans, and Cooperative Agreements

CHECK ☒ IF CERTIFICATION IS FOR THE AWARD OF ANY OF THE FOLLOWING AND
THE AMOUNT EXCEEDS \$100,000; A FEDERAL GRANT OR COOPERATIVE AGREEMENT;
SUBCONTRACT, OR SUBGRANT UNDER THE GRANT OR COOPERATIVE AGREEMENT.

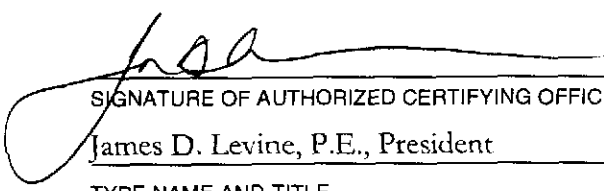
CHECK ☐ IF CERTIFICATION IS FOR THE AWARD OF A FEDERAL
LOAN EXCEEDING THE AMOUNT OF \$150,000 OR A SUBGRANT OR
SUBCONTRACT EXCEEDING \$100,000 UNDER THE LOAN.

The undersigned certifies, to the best of his or her knowledge and belief that:

- (1) No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, and officer or employee of Congress, of an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.
- (2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.
- (3) The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

As the authorized certifying official, I hereby certify that the above specified certifications are true.


SIGNATURE OF AUTHORIZED CERTIFYING OFFICIAL

James D. Levine, P.E., President

TYPE NAME AND TITLE

DATE

7/1/98

TABLE 1: Laboratory Analysis Methods for Phase 1 Composting Studies and Phase 3 Long-Term Monitoring

Analytes	Method
TTLIC CAM 17 Metals	EPA Method 6010/7000
Dissolved Oxygen	SM 4500G
Oxidation/Reduction	ASTM D1498-76
PH	EPA Method 9040
Organochlorine Pesticides	EPA Method 8080
Organophosphorous Pesticides	EPA Method 8140
Chlorinated Herbicides	EPA Method 8150
Biological Oxygen Demand	EPA Method 405.1
Chemical Oxygen Demand	EPA Method 410.4
Anions (Chloride, Sulfate, Nitrogen)	EPA Method 300
Alkalinity	EPA Method 310.1
TDS	EPA Method 160.1
Hardness	SM 23408
Conductivity	EPA Method 120.1
TTLIC Cam 17 Metals	EPA Method 6010/7000
Dissolved Oxygen	SM 4500G
Oxidation/Reduction	ASTM D1498-76
PH	EPA Method 9040
Organochlorine Pesticide	EPA Method 8080
Organophosphorous Pesticides	EPA Method 8140
Chlorinated Herbicides	EPA Method 8150
Biological Oxygen Demand	EPA Method 405.1
Chemical Oxygen Demand	EPA Method 410.4
Anions (Chloride, Sulfate, Nitrogen)	EPA Method 300
Alkalinity	EPA Method 310.1
TDS	EPA Method 160.1
Hardness	SM 23408
Conductivity	EPA Method 120.1
Methane	EPA Method 8015M

TABLE 2: Preliminary Construction Cost Estimate
Venice Island Potato Slough Demonstration Project, July 2, 1998

Line	Description	Quantity	Units ¹	Unit Cost	Total Cost (Dollars)
Direct Capital Costs					
General					
1	mobilization and demobilization	1	ls	\$5,000	\$5,000
2	clear and grub project, stockpile and staging areas	4	acre	\$700	\$2,800
3	cost to lease land	1	ls	\$8,000	\$8,000
4	relocate utilities	1	ls	\$10,000	\$10,000
5	post construction survey	1	ls	\$10,000	\$10,000
Lowering of Existing Levee					
6	clear and grub existing levee	2	acre	\$1,500	\$3,000
7	removal of existing rip rap	1,000	lf	\$40	\$40,000
8	excavate and place levee fill in habitat area	14,500	cy	\$3	\$43,500
9	breach construction	1	ls	\$25,000	\$25,000
Construction of New Levee					
foundation prep					
10	excavate trench (12' deep, 1:1 slopes)	1,000	lf	\$20	\$20,000
11	place geotextile for base of new levee	1,000	lf	\$160	\$160,000
12	install levee monitoring equipment	1	ls	\$20,000	\$20,000
supply levee add trench fill material					
13	dredge and barge to rehandling facility	105,000	cy	n/c	\$0
14	off load at rehandling facility	105,000	cy	\$2	\$157,500
15	dry, scarify and stockpile for loading	105,000	cy	\$3	\$262,500
16	load onto deck barge	105,000	cy	\$2	\$210,000
17	barge material to Venice	105,000	cy	\$2	\$210,000
18	off load, stockpile material at Venice	105,000	cy	\$2	\$210,000
19	construct new levee (haul, dump, compact)	105,000	cy	\$3	\$315,000
20	relocate existing irrigation ditches	1,000	lf	\$2	\$2,000
21	placement of rip-rap on new levee	2,250	tons	\$40	\$90,000
Habitat Area Construction					
supply baled rice straw to Venice					
22	bale rice straw	650	acres	\$70	\$45,500
23	pickup bales from field, stack along road	750	tons	\$12	\$9,000
24	load bales, truck to Port, unload, load to barge	750	tons	\$16	\$12,000
25	barge material to Venice	750	tons	\$21	\$15,750
26	unload bales at Venice, stockpile	750	tons	\$15	\$11,250
composting of rice straw					
27	field preparation	1	ls	\$5,000	\$5,000
28	compost rice straw (place, mix, rotate)	1,200	tons	\$30	\$36,000
29	load compost, truck to Port, unload, load to barge	1,200	tons	\$16	\$19,200
30	barge material to Venice	1,200	tons	\$21	\$25,200
31	unload compost from barge, stockpile on Venice	1,200	tons	\$15	\$18,000
32	supply dredged material to mix with rice straw	10,000	cy	\$10	\$100,000
33	place fill mixture (haul, windrow, mix, grade)	26,000	cy	\$4	\$91,000
34	supply and place sand fill material	24,090	cy	\$6	\$144,540
35	Total Direct Capital Costs:				\$1,897,800

TABLE 2: Preliminary Construction Cost Estimate
Venice Island Potato Slough Demonstration Project, July 2, 1998

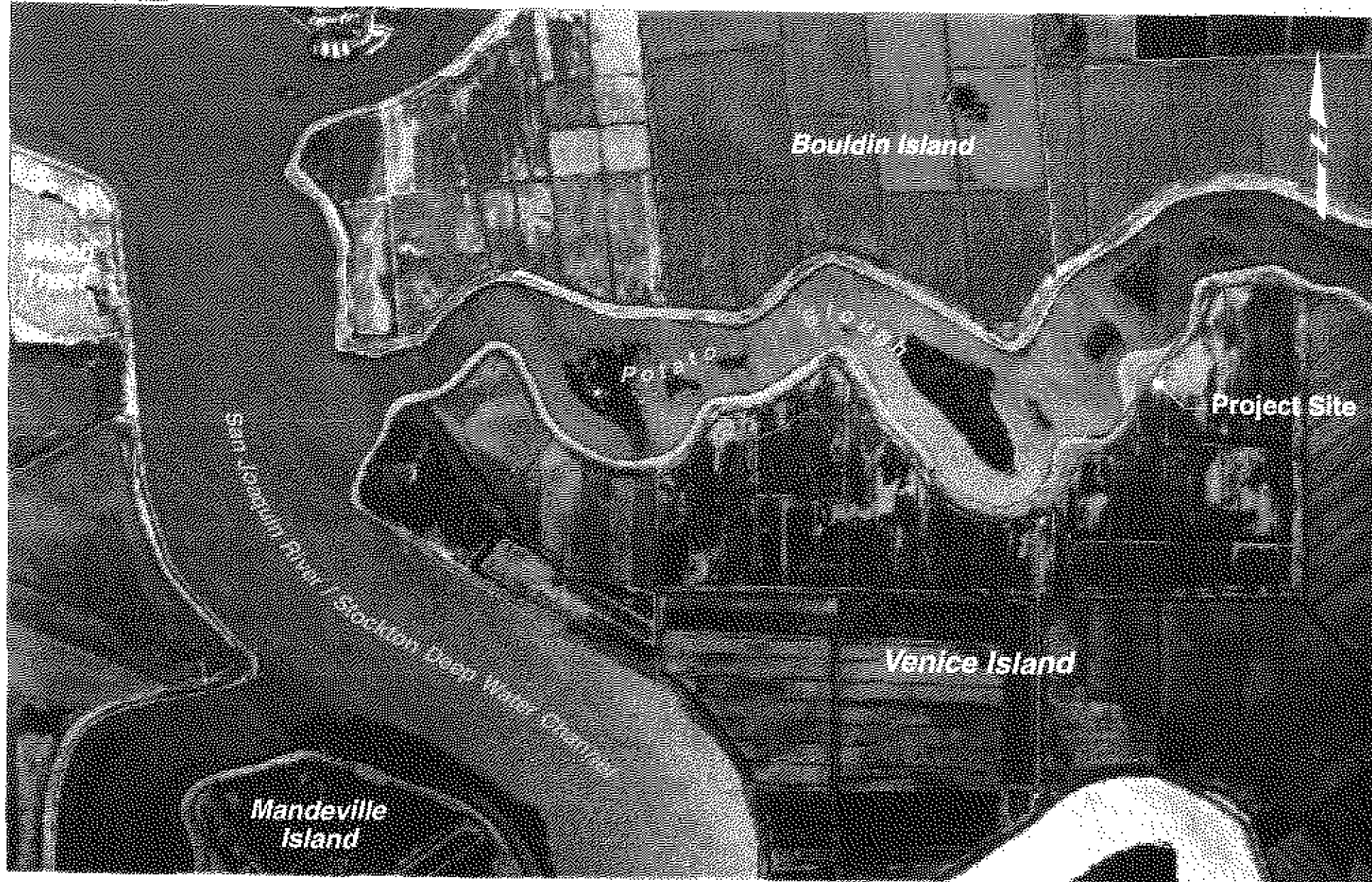
Line	Description	Quantity	Units ¹	Unit Cost	Total Cost (Dollars)
Indirect Capital Costs					
General					
36	construction management	1	ls	\$70,000	\$70,000
37	project man	1	ls	\$5,000	\$5,000
38	Total Indirect Capital Costs:				\$75,000
39	Total Direct and Indirect Capital Costs:				\$1,988,800

¹ls=lump sum n/c=assume no charge
lf=linear foot
cy=cubic yard

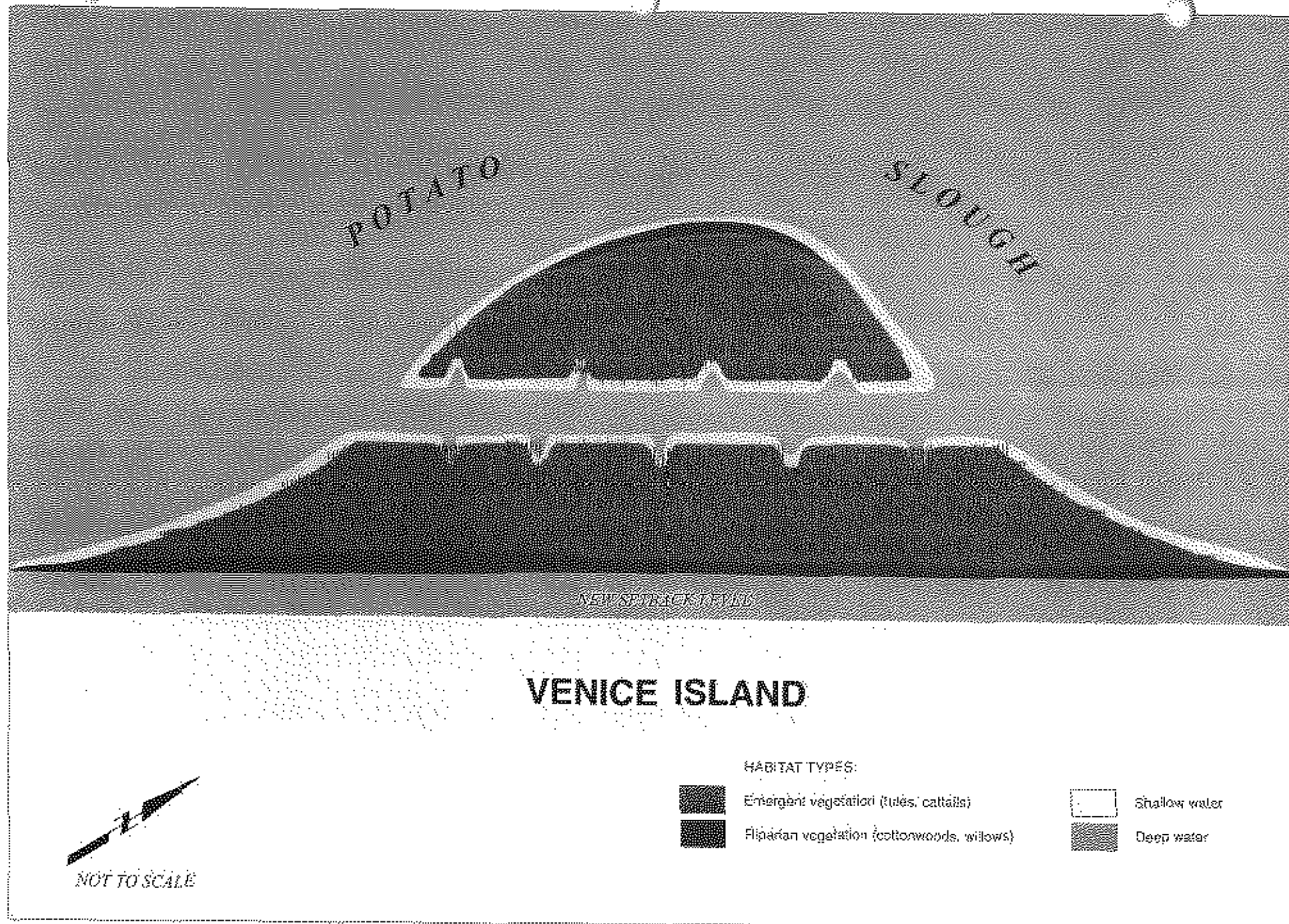
TABLE 3: Permit Requirements		
Agency	Required Action	Approximate Processing Time
CEQA/NEPA	Negative Declaration/Finding of No Significant Impact	3 months
U.S. Army Corps of Engineers	Section 404 (Clean Water Act)/10 (Rivers & Harbors Act) Permit	4 months
Central Valley Regional Water Quality Control Board	NPDES Permit/Waste Discharge Requirements; Water Quality Certification	1 to 3 months
State Lands Commission	Permit/Lease	4 to 6 months
California Dept. of Fish & Game	Streambed Alteration Agreement	2 months
National Marine Fisheries Service/ U.S. Fish & Wildlife Service	Section 7 (Endangered Species Act) consultation initiated by COE as part of Section 404/10 permit process	5 months
State Dept. of Water Resources/Delta Levee Flood Control Program	Reviews project for potential impacts to State Water Project facilities, and/or any work done through AB 360 program	2 months
State Reclamation Board	Reviews projects with potential to restrict flows, alter flood stage, etc.	2 months
Local Reclamation District	Reviews any levee/flood control work	2 months

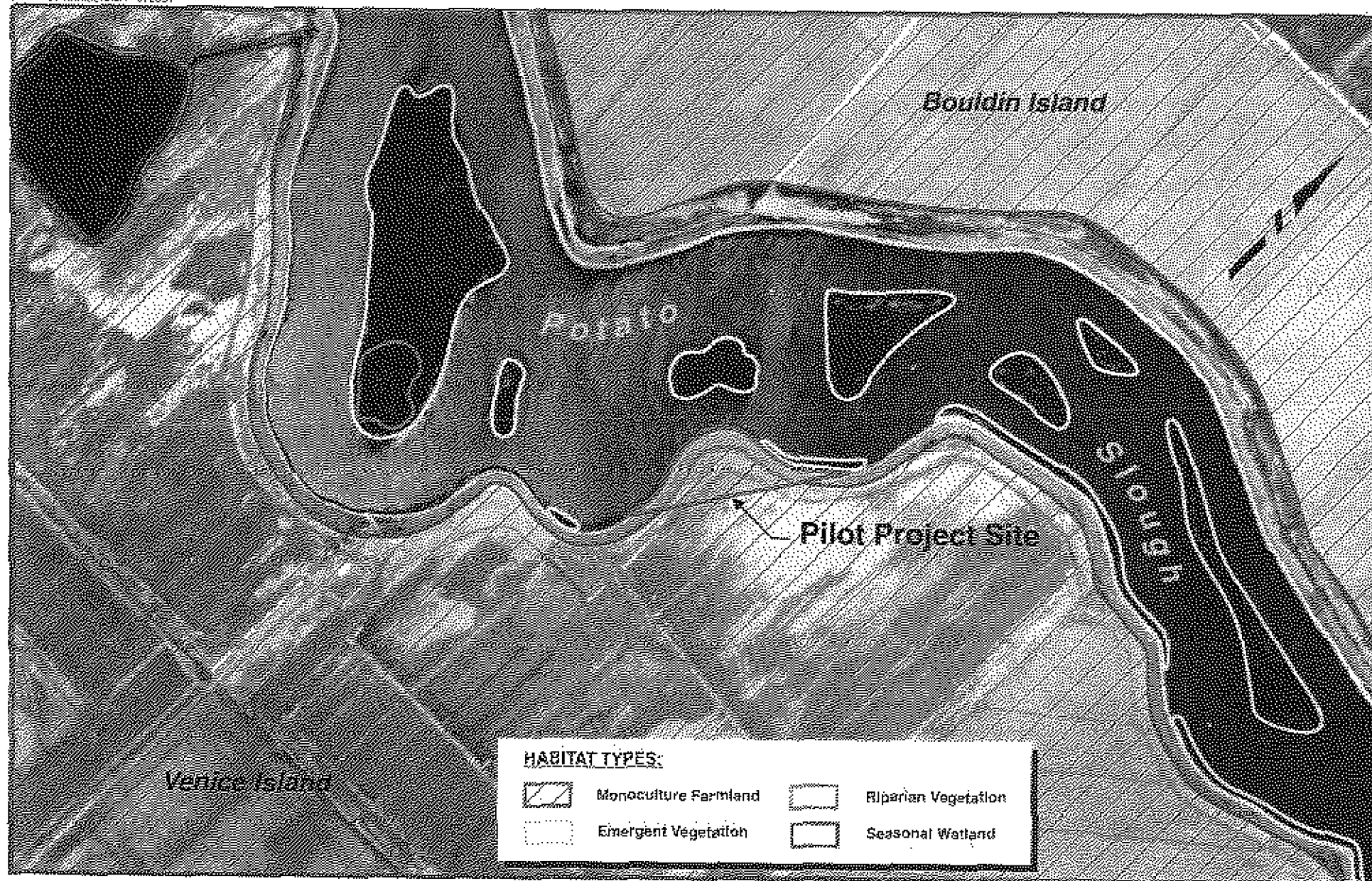
TABLE 4: Summary of Personnel Qualifications, Experience and Past Performance

Individual	Degrees	Experience	Past Performance
Susan Cavanaugh Contracts Manager	Business Administration, Santa Rosa Junior College, 1997	More than 15 years of experience with environmental services contracts in both the private and public sectors.	<ul style="list-style-type: none"> Reviewed and negotiated prime contracts, subcontracts, and property leases Created programs to enhance administrative contract performance
Rachel Bonnefil Permitting Specialist	B.A. Environmental Studies, 1991	Former employee of BCDC. Environmental review of dredging projects and major policies. Dredged materials reuse	<ul style="list-style-type: none"> Montezuma Wetlands Project Oro Loma Marsh Enhancement Project San Francisco Bay Regional Wetland Ecosystem Goals Project
J. Scott Seyfried, R.P.S.S. Soil Scientist	M.S. Water Science, 1987; B.A. Physical Geography, 1983	Fate and transport of organic and inorganic chemicals in the subsurface, soil and water chemistry, risk assessment and bioremediation of soil and groundwater	<ul style="list-style-type: none"> Marley Way Marsh Restoration Project Montezuma Wetlands Project Biological Damage Assessment, Donner Oil Spill, Donner, CA
Mavis Hasey Senior Ecologist	M.S. Plant Ecology, 1988; B.A. Environmental Biology 1982	Ecological and toxicological assessment of terrestrial and aquatic ecosystems; wetlands delineation and assessment; planning, permitting, and design of restoration projects; and quantitative ecological data analysis	<ul style="list-style-type: none"> Rogers Dry Lake Ecosystem Analysis, Edwards Air Force Base Ecological Restoration of Riparian & Oak Woodlands, Alameda County, CA
Joyce Ambrosius, Fisheries Biologist;	B.S., Fisheries, 1975	Fisheries surveys and habitat restoration in the Russian River watershed; physical & biological habitat data collection of anadromous and freshwater fish; determined minimum stream flow requirements necessary for anadromous species	<ul style="list-style-type: none"> Russian River Watershed Fisheries Enhancement Program Potter Valley Project on the Eel River
Kirk Lemington Biologist	B.A. Environmental Studies/Biology, 1993	Vertebrate and plant biology; GIS; species identification and monitoring; biological damage assessment and monitoring; reference site identification and assessment; tidal reckoning; permitting	<ul style="list-style-type: none"> Biological Effects Monitoring, Valdez Oil Spill, Prince William Sound, AK Martin Luther King Jr. Wetlands Restoration Project
Maya Khosla Fisheries Biologist	M.S. Environmental Biology, 1994; M.S. Chemistry, 1988; B.S. Chemistry, 1985	Study of the long-term effects of contaminants on fish biochemistry, physiology, populations and communities; field and laboratory assessments, habitat assessments and suitability studies on endangered salmonids; ecological restoration and ecotoxicology	<ul style="list-style-type: none"> Biological Damage Assessment, Donner Oil Spill, Donner, CA Marsh Restoration, Parr Boulevard, Richmond, CA
Christopher Nardi, G.E., Geotechnical Engineer	M.S. Geotechnical Engineering, 1981; B.S. Civil Engineering, 1978	Geotechnical, hazardous waste, & civil engineering for levees, dams, embankments, & related earth structures; wetlands designs; landslides; low- to mid rise structures, R&D buildings, & office and industrial parks; & residential areas	<ul style="list-style-type: none"> Martin Luther King Jr. Wetlands Restoration Project Montezuma Wetlands Project
Mary Alice Keeler Design Engineer	B.S. Civil Engineering, 1992	Engineering design for wetland restoration, landfill closure and roadway improvement projects; AutoCAD and Softdesk; quantity takeoffs; construction cost estimates	<ul style="list-style-type: none"> Martin Luther King Jr. Wetlands Restoration Project Pier 98 Landfill Closure & Open Space Enhancement Project
Claude Drugan Design Engineer	B.S. Environmental Engineering, 1992	Demography & geologic/hydrogeologic conditions; investigation and remediation; regulatory negotiations; permitting, compliance monitoring, and reporting.	<ul style="list-style-type: none"> Walnut Creek Desilting Project



Site Vicinity Map

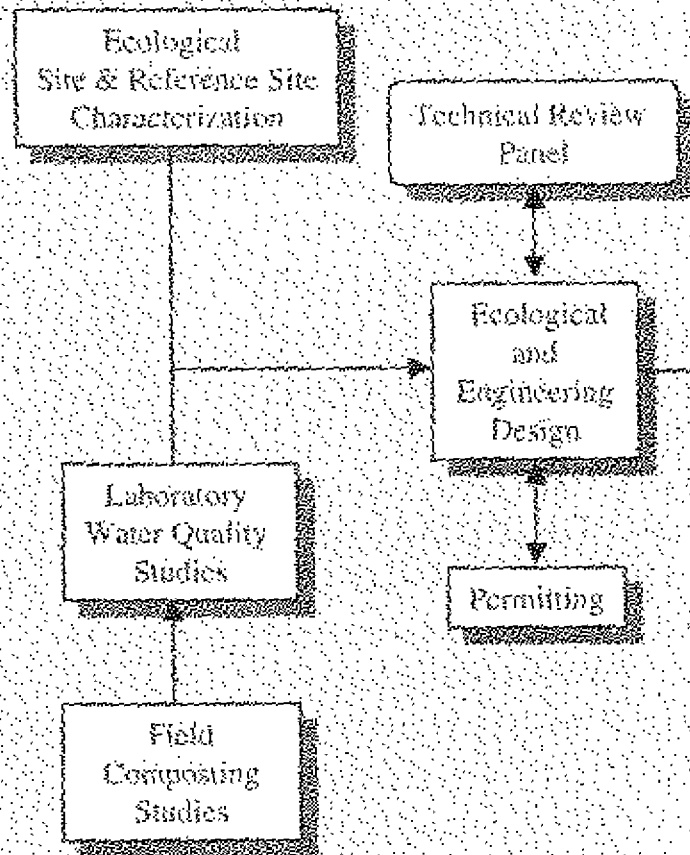




Existing Ecological Habitats

Phase 1A/1B

Ecological Design



Phase 2

Habitat Restoration

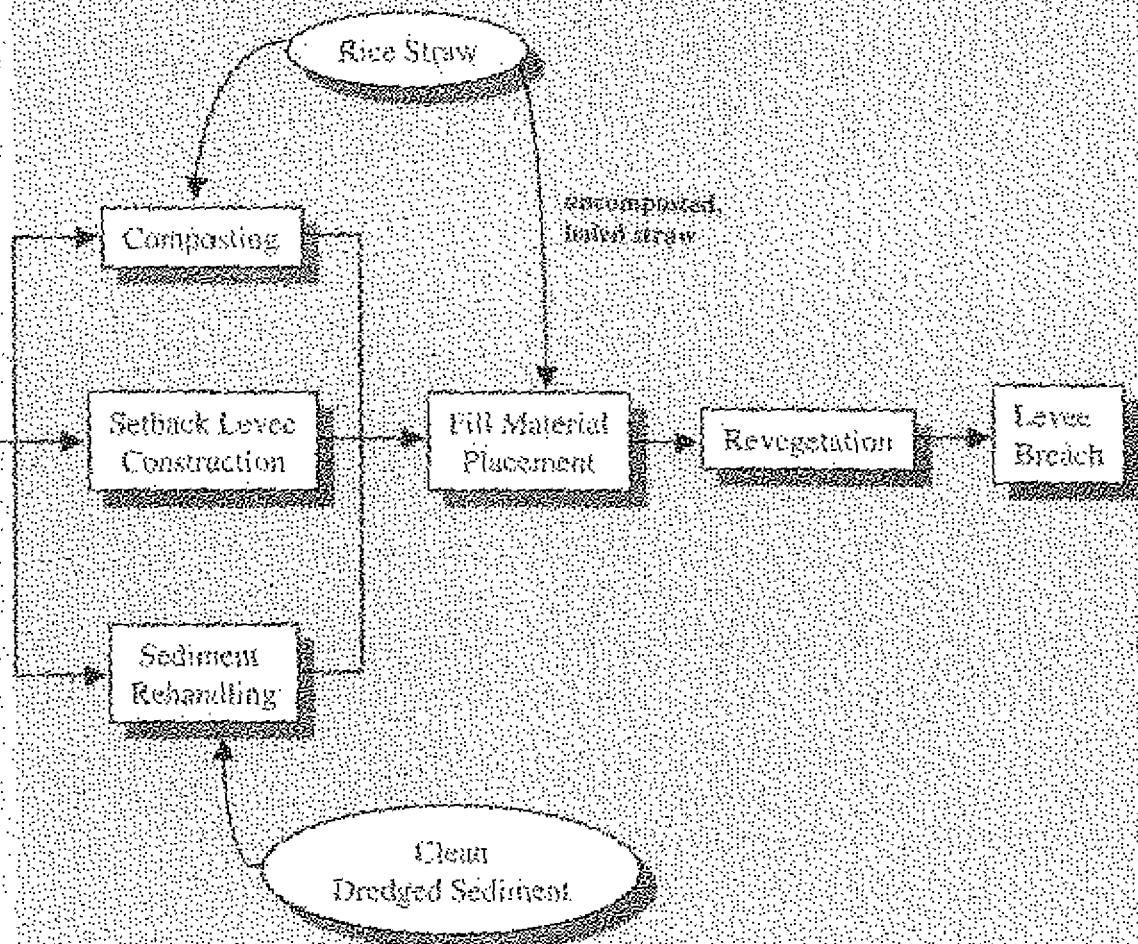


FIGURE 3: Phase 1A/1B and 2 Flow Chart

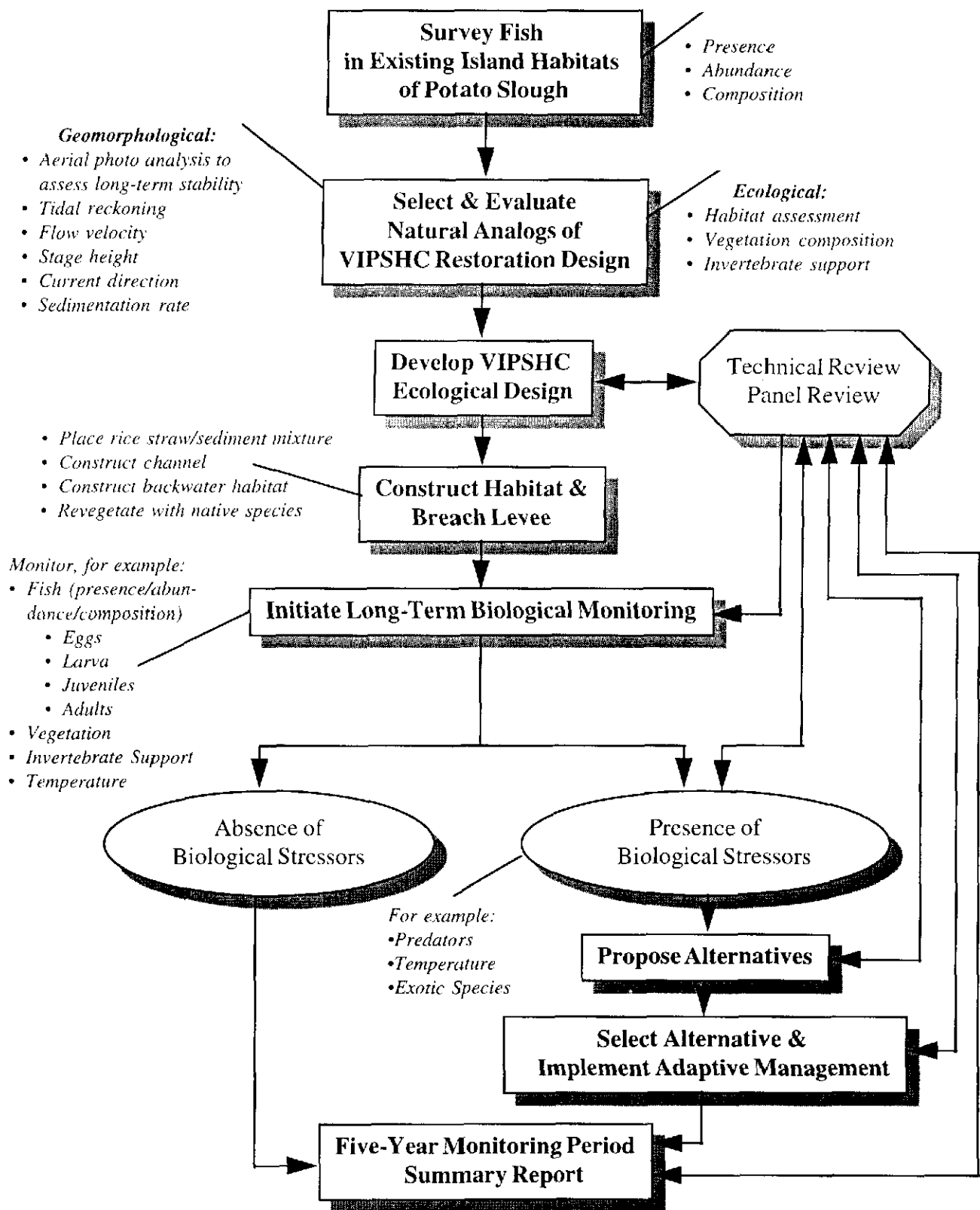
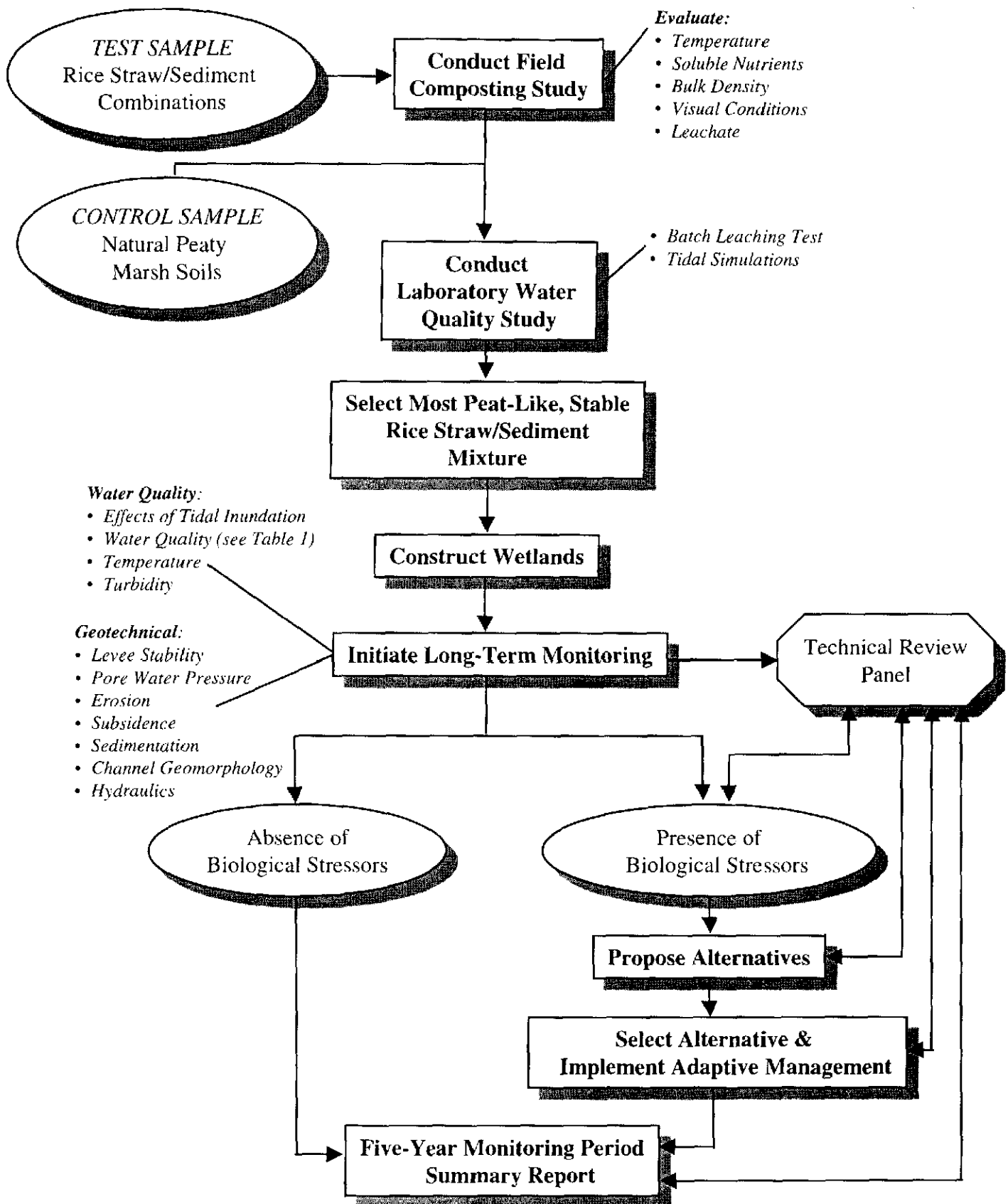
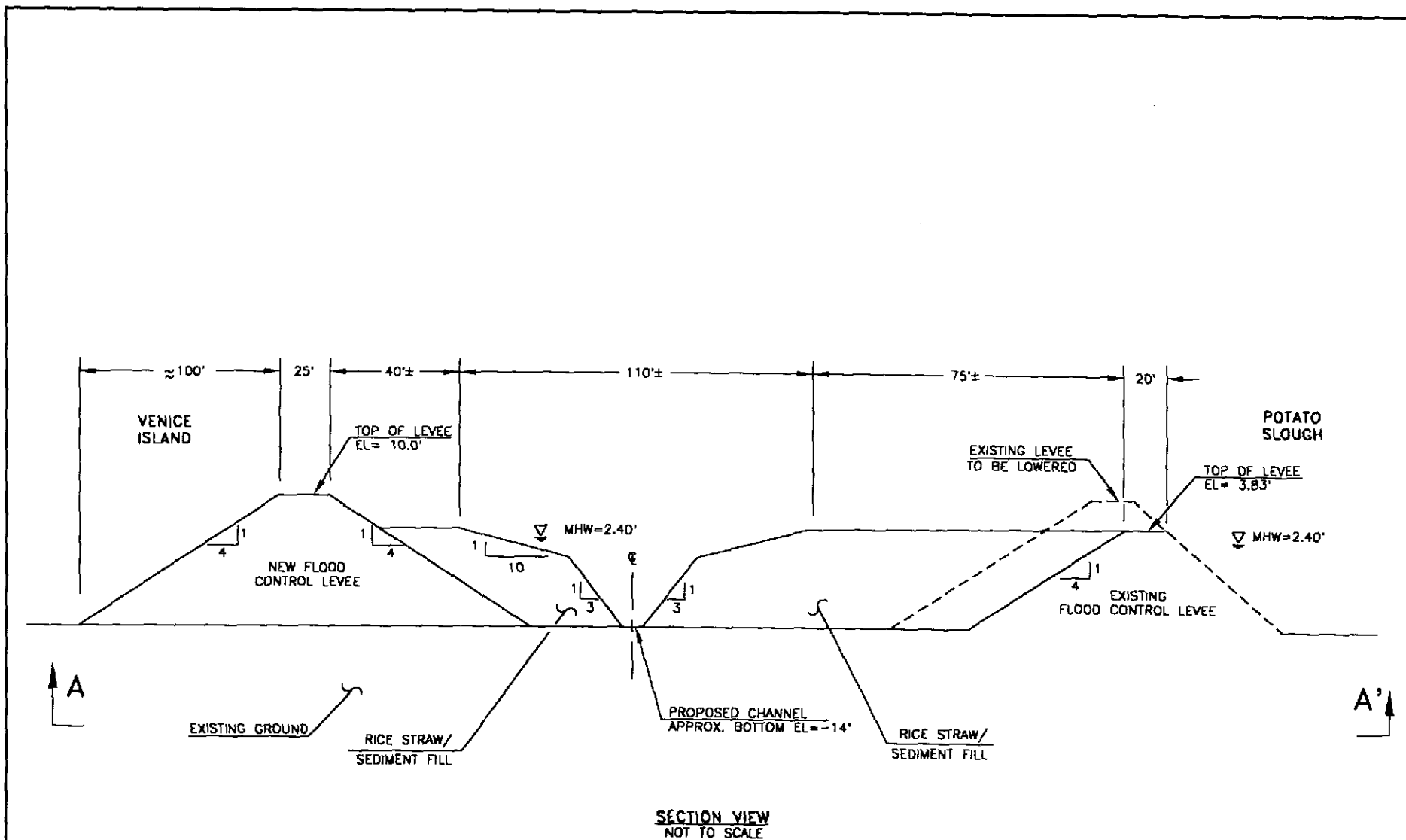


FIGURE 6: Adaptive Management Framework for Ecological Design of Venice Island/Potato Slough Habitat Creation Demonstration Project



**FIGURE 7: Adaptive Management Framework for
Selecting & Evaluating Rice Straw/Sediment Mixtures as Habitat Creation Material**

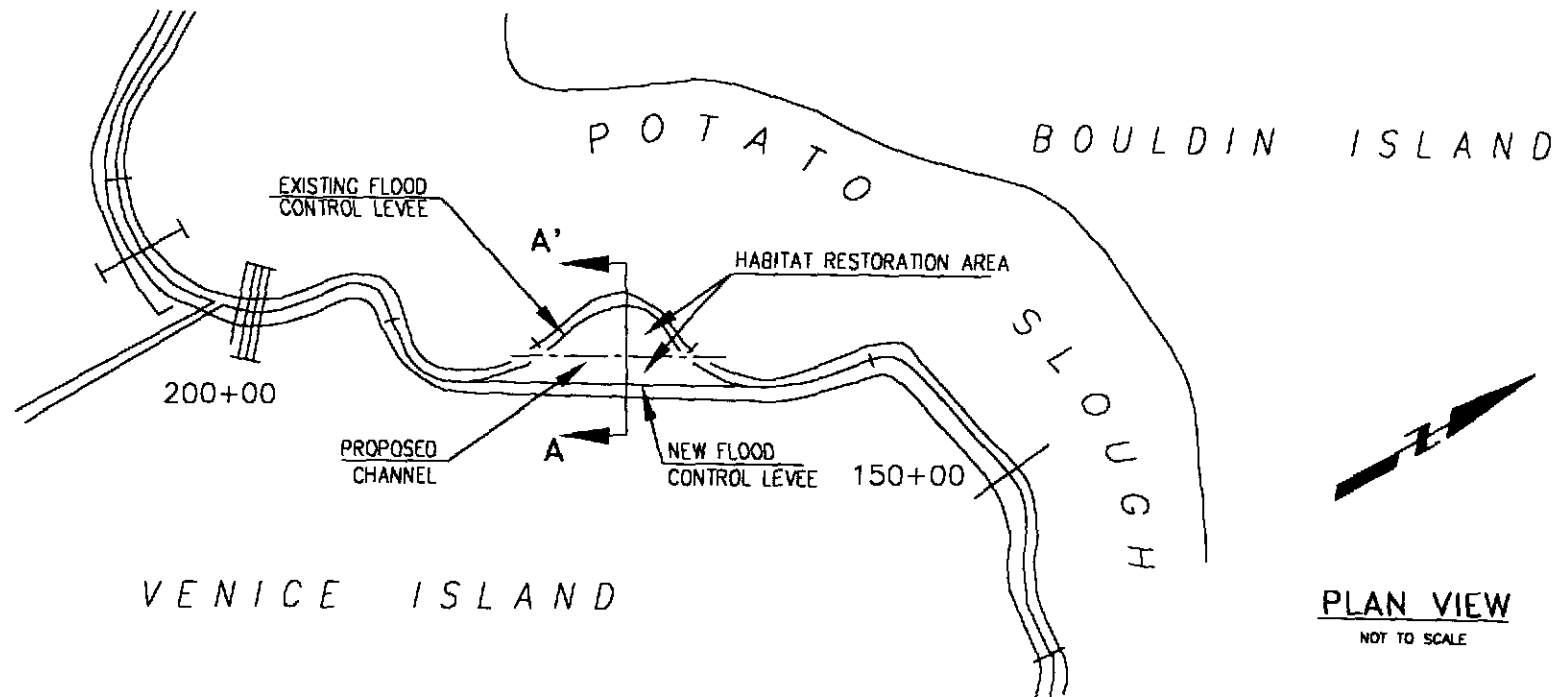


CALFED BAY-DELTA PROGRAM
Ecosystem Restoration Projects and Programs
Levee Construction and Fish Habitat Creation
Section View

Levine-Frick-Recon

Project No. 247-97M

Figure 8



CALFED BAY-DELTA PROGRAM
Ecosystem Restoration Projects and Programs
Levee Construction and Fish Habitat Creation
Plan View

Levine-Frick-Recon

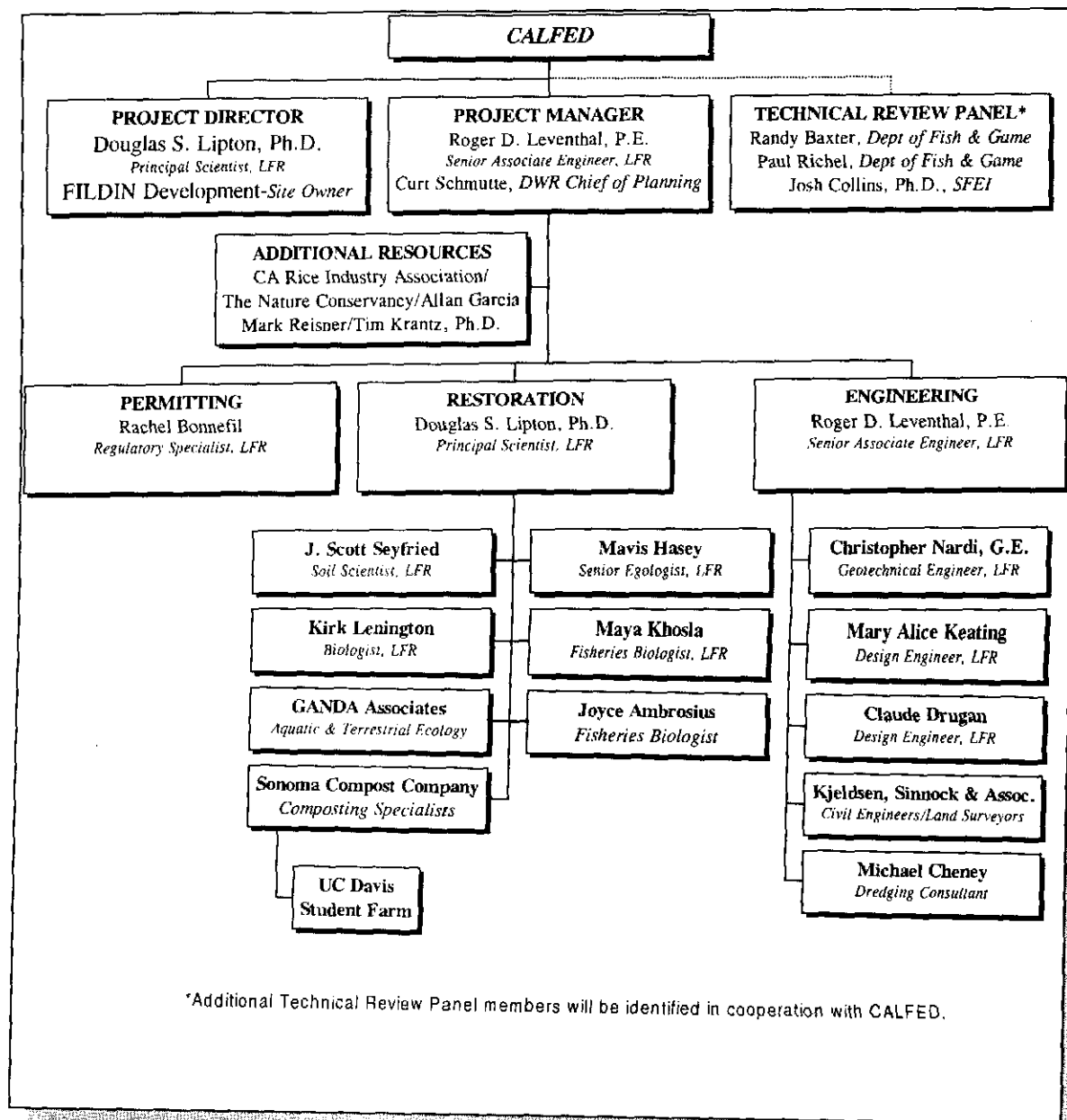
Project No. 247-97M

Figure 9

	1998	1999												2000											
Task & Description	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
1 Site Characterization																									
2 Field Composting Study																									
3 Laboratory Water Quality Study																									
4 Final Ecological Design Report																									
5 Construction Plans and Specifications																									
6 Permitting																									
7 Construction																									
8 Construction Management																									
9 Biological Monitoring																									
10 Water Quality Monitoring																									
11 Geotechnical & Physical Monitoring																									

This schedule is dependent upon the presence of appropriate environmental conditions.

FIGURE 10: Proposed Schedule



The LFR Team blends ecology with engineering and experience working in the Bay-Delta region to successfully complete large, complex restoration efforts involving dynamic ecosystems.

FIGURE 11: Team Organization

DEPARTMENT OF WATER RESOURCES

CENTRAL DISTRICT

3251 S STREET

SACRAMENTO, CA 95816-7017

JUN 26 1998



Mr. Roger Leventhal, P.E.
Senior Associate Engineer
Levine-Fricke-Recon
1900 Powell Street, 12th Floor
Emeryville, California 95608

Dear Mr. Leventhal:

This letter serves to formalize our intent to establish a joint venture between the Department of Water Resources and Levine-Fricke-Recon for implementation of the Venice Island (Potato Slough) Habitat Creation Demonstration Project submitted under the Ecosystem Restoration Projects and Program RFP dated May 1998. The joint venture will be conducted as a public/private partnership with LFR serving as the lead party to CALFED. LFR will be responsible for the contract management and will work with DWR on the technical aspects of the proposed project.

DWR is also excited to be involved as a financial partner for the implementation of this important restoration project. The project will assist our continued development of aquatic habitat improvements consistent with AB 360 and SB 900. The Venice Island Habitat Creation Project offers a unique opportunity to solve multiple environmental problems in a critically sensitive part of the Bay-Delta system. This project will evaluate the use of levee setbacks and rice straw-sediment fill mixtures to reverse subsidence and create appropriate elevations for restoring spawning and rearing habitat for threatened and endangered fish species in the Delta. Most importantly, this project can demonstrate a way to integrate habitat restoration with levee stabilization that allows for current agricultural land uses of Delta Islands.

We look forward to working with your organization on this project and are confident that the proposal will successfully complete the project goals in a timely and cost-effective manner. If you have any questions or I can be of further assistance, please do not hesitate to call me at (916) 227-7567.

Sincerely,

A handwritten signature in black ink, reading 'Curt Schmutte'.

Curt Schmutte, Chief
Flood Protection and Geographic
Information Branch

cc: Mr. Ed Littrell
Department of Fish and Game
Region II
1701 Nimbus Road
Rancho Cordova, California 95670

July 24, 1997

LF P0247-97J

Mr. J. Philip DiNapoli
FILDIN Development Company
99 Alameda Blvd., Suite 565
San Jose, CA 95113

Subject: Letter of Intent and Teaming Agreement for the Venice Island (Potato Slough) Habitat Creation Demonstration Project, in Response to the Category III Ecosystem Restoration Projects and Programs Request for Proposal (RFP), CALFED BAY-DELTA PROGRAM

Dear Phil:

This letter serves to formalize our intent and teaming agreement for the subject RFP and to outline the development of a business partnership between Levine·Fricke·Recon Inc. (LFR) and FILDIN Development Company (FDC) in pursuit of opportunities under the Category III Ecosystem Restoration Projects and Programs initiative as proposed by the CALFED BAY-DELTA Program.

As we discussed, it is agreed that LFR and FDC will team on an exclusive basis as a business partnership working together to implement the *Venice Island (Potato Slough) Habitat Creation Demonstration Project* in response to the CALFED RFP. In order to qualify for Category III, a variety of conditions, including establishing a conservation easement must be met.

If the LFR/FDC project team's proposal is selected for Category III funding, FDC will be responsible for the following required items:

- granting, under a perpetual conservation easement, development rights for the approximate 6 acre project site onto which a portion of Potato Slough will be realigned. These lands are currently owned and managed by FIDIN Development Company.
- granting access rights to the designated project area during the demonstration project implementation and monitoring phases.
- providing a designated staging area, as required, during the demonstration project implementation Phase II - Construction.

While FDC will contribute the land, LFR contributions include preparation of the engineering preliminary and final design, permitting, construction oversight, and consulting services for the

project on an at cost basis. All FDC costs related to title transfer and associated management fees shall be included as a project cost covered by Category III funds.

This letter agreement is valid throughout the bid period for the subject RFP. If the LFR team is awarded a contract, a separate contract agreement shall be developed between LFR and FDC stipulating the details of the scope of work, areas of responsibility and other contractual conditions for execution of the project.

The teaming parties will work closely together and exchange business and technical information, as necessary. For this reason the parties agree to assist each other with obtaining relevant and pertinent information specific to the above identified business opportunity. Each party will assist the other, as necessary, and will put forth its best efforts in obtaining the identified business opportunity.

Each party shall support the proposal effort by submitting to LFR its technical, cost and management portions of the proposal, as required by the RFP, or as requested by the client.

Nothing contained herein is intended to preclude either party from independently submitting proposals or performing work related to another CALFED solicitation. The parties agree that no legal relationship of any kind exists as a result of this Agreement other than the covenants expressly contained herein. Neither party shall have the authority to create any obligations for the other except to the extent stated herein.

FDC and LFR agree that each will hold exchanged proprietary information confidential in the same manner as it holds its own proprietary information of like kind. All proprietary information exchanged between the parties shall be labeled "Confidential". Disclosures of such information shall be restricted to the Client and those individuals who are involved in the preparation of the proposal.

If you are in agreement, please sign both copies of the attached Approval and Acceptance page of this letter and return them to Levine-Fricke-Recon Inc. LFR will forward a fully executed copy for your records once all parties have signed the agreement.

We look forward to working with your organization and are confident that our teaming efforts will be mutually beneficial to each firm. If you have any questions please do not hesitate to call me or Roger Leventhal at 510 652-4500.

Sincerely,



Frank Lorincz
Senior Associate

APPROVAL AND ACCEPTANCE

July 25, 1997

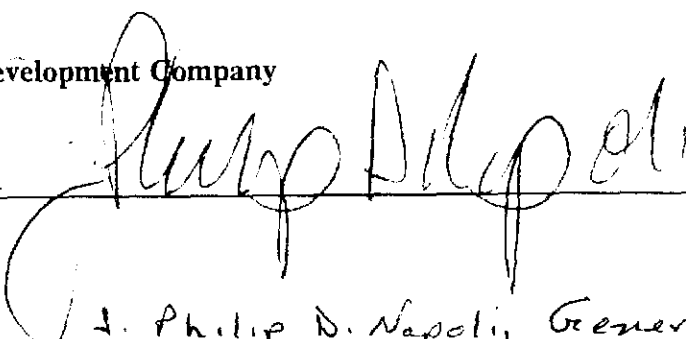
P0247-97I

Approval and acceptance of this Teaming Agreement are acknowledged by the signatures of duly authorized representatives of FILDIN Development Company and Levine·Fricke·Recon Inc.

FILDIN Development Company

Signature

Date


J. Philip D. Napoli, General Partner
(Please print name and title)

Levine·Fricke·Recon Inc.

James D. Levine, P.E., President

Date